

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1871 - HB 2337**

January 31, 2016

**SUMMARY OF BILL:** Aligns the administrative dissolution process, for when a limited liability company's period of duration expires, with the dissolution process for a corporation. Authorizes reinstatement of a limited liability company (LLC) for a period up to three years following the expiration of the period of duration for that LLC by (1) amending its charter to extend its period of duration or by setting the period of duration to perpetual, and (2) filing an application for reinstatement following administrative dissolution. Declares that if no duration period is specified in the articles of organization, the LLC shall be considered a perpetual LLC.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$500**

Assumptions:

- Based on information provided by the Secretary of State (SOS), the historic number of filings for reinstatement by LLC's is six annually.
- Each filing will consist of an amendment filing and a reinstatement filing.
- Pursuant to 48-249-1007, the filing fee for an amendment is \$20; the filing fee for reinstatement is \$70.
- Revenue per filing is \$90 (\$20 amendment fee + \$70 reinstatement fee).
- A recurring increase in state revenue estimated to be \$540 (\$90 x 6 filings).
- Pursuant to Tenn. Code Ann. § 8-21-205, revenue from filing fees for corporations and LLC's is allocated 97 percent to the General Fund; 3 percent to the Secretary of State.
- A recurring increase in state revenue to the General Fund estimated to be \$524 (\$540 x 97.0%); a recurring increase in state revenue to the SOS estimated to be \$16 (\$540 x 3.0%), which is considered not significant for the purpose of this fiscal note.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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